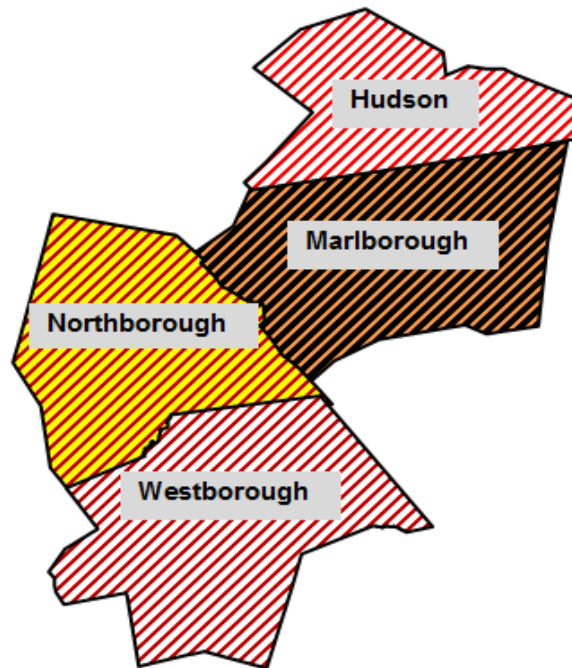


2014 MERC PUBLICATION

**GREATER MARLBOROUGH REGION
MUNICIPAL REVENUE 2013[©]**



By
Mary Phelan, M.B.A., C.P.A.
Beverly Soriano, M.S., C.P.A.

With assistance of MERC intern:
Allyson Sorgini, Intern III

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Framingham
State University

MetroWest Economic
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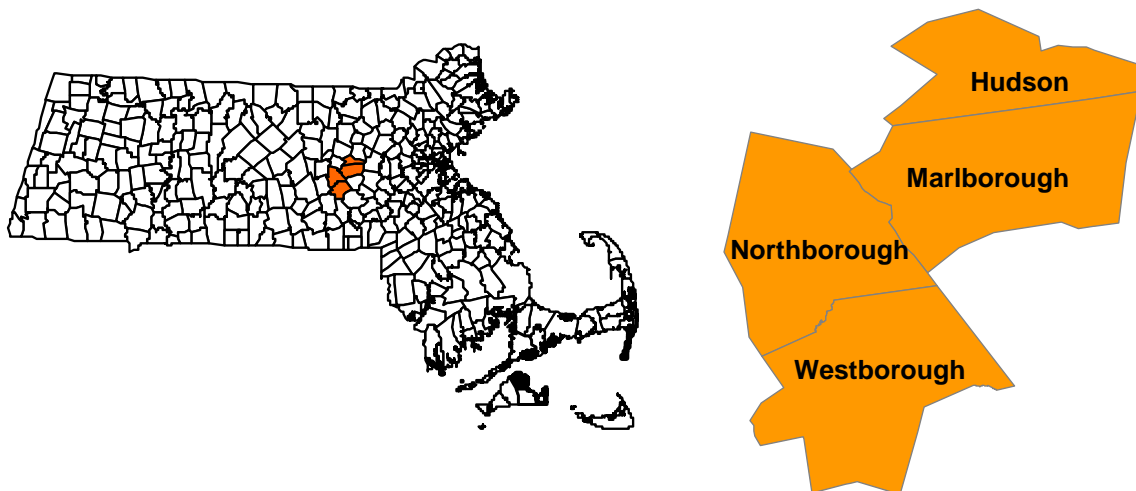
METROWEST ECONOMIC RESEARCH CENTER
At Framingham State University
100 State Street, Framingham, MA 01701-9101
508-626-4033 – FAX: 508-626-4018
www.merc-online.org

INTRODUCTION

The Greater Marlborough Region (GMR) includes four communities located west of Boston, Massachusetts and within commuting distance of Worcester. This region includes the communities of Hudson, Marlborough, Northborough, and Westborough. Centered around the city of Marlborough, the region has a 2012 estimated population of 90,000 and a K-12 public school enrollment of more than 14,000 students. The region enjoys convenient access to several major highways including Routes 495, 9, 20, 290, and I-90, the Massachusetts Turnpike.

This publication presents municipal revenue and K-12 public school enrollment data for the Greater Marlborough Region. Municipalities report budgeted revenue, actual revenue and actual expenditures to the Massachusetts Department of Revenue (DOR), Division of Local Services (DLS). The MetroWest Economic Research Center (MERC) at Framingham State University uses the underlying information to prepare analyses for sub-state regions. Budgeted revenue and actual expenditures are presented in this report. Revenue consists of the total tax levy, state aid, local receipts and an “all other” category. Local receipts include motor vehicle excise taxes, license fees, and charges for services such as water, sewer and trash collection. The tax levy consists of assessments on personal property, open space and industrial, commercial, and residential real estate. Personal property includes furnishings of second homes, some inventories and equipment of utility companies and unincorporated businesses. Tax levies are subject to limitations imposed by related legislation. For additional information on local taxing options see the Appendix.

Public school enrollment is calculated for kindergarten through grade 12 students using the annual classroom census conducted in October of each year and reported to the MA Department of Education (DOE). Included are all public school students in regular education, special education, regional schools and regional vocational high schools. Student enrollment for the charter school located in the Greater Marlborough Region is 970.



GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

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GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

MUNICIPAL REVENUE

Municipalities report budgeted revenue, actual revenue and actual expenditures to the Massachusetts Department of Revenue (DOR), Division of Local Services (DLS) on form Schedule A which includes a tax recapitulation report. The DLS of the DOR prepares many analyses from these reports. The MetroWest Economic Research Center (MERC) at Framingham State University uses the underlying information as well as DLS reports to prepare analyses for the local region.

Unless otherwise stated, revenue presented in this report represents budgeted revenue reported to the Massachusetts Department of Revenue, Division of Local Services by the respective municipalities. It consists of the total tax levy, state aid, local receipts and an “all other” category. The tax levy consists of assessments on personal property, industrial, commercial, open space and residential real estate. Personal property includes furnishings of second homes and some inventories and equipment of unincorporated businesses. On-site vehicles of utility companies are generally included in this category as well. State aid is earmarked as state aid for education and state aid for general government. Local receipts include motor vehicle excise taxes, license fees and charges for services. The “all other” category includes free cash and other available funds. Budgeted revenue and actual revenue differ very little.

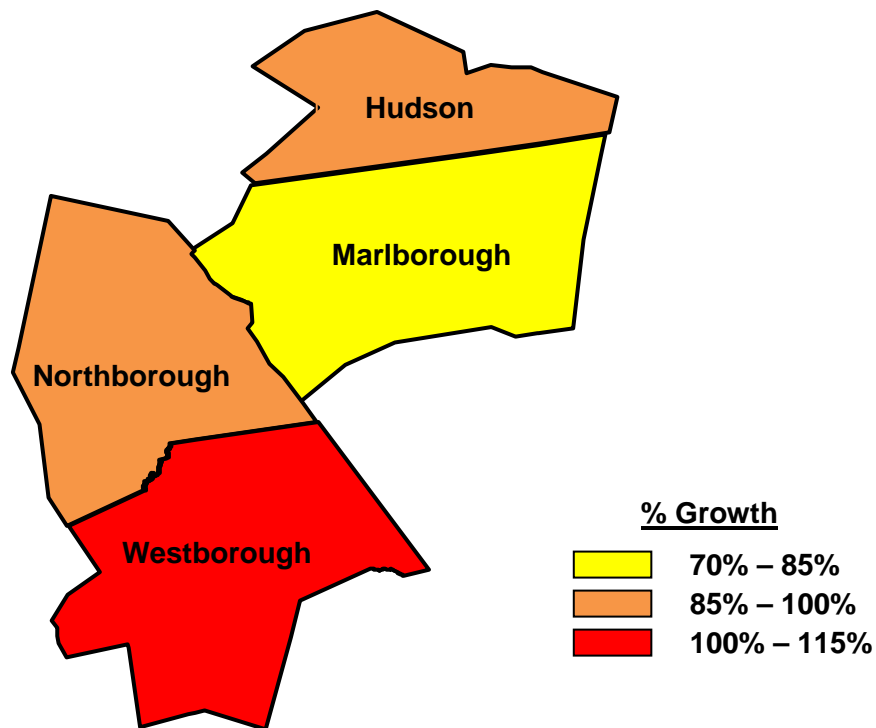
Tax levies are subject to limitations imposed by related legislation. In any given year, the tax levy cannot exceed 2½ percent of the total assessed value of the property of the community. In addition, the tax levy cannot increase by more than 2½ percent of the prior year tax levy limit plus new growth without voter approval of an operating budget override or a debt exclusion override. An operating budget override constitutes a permanent adjustment to the tax levy base that is used for subsequent year calculation limits while a debt exclusion override is in effect only for the life of the bond for which it was approved. It does not become a permanent adjustment to the tax levy base. Individual communities are also able to determine the extent to which property taxes will be borne by residential taxpayers or commercial and industrial (C&I) taxpayers. Some communities choose to tax residential, commercial and industrial property at the same rate while others use split rates. Personal property is generally taxed at C&I rates imposed by the respective community.

With the residential exemption, the tax burden shifts within the residential class from owner-occupied and relatively lower valued properties, to relatively higher valued ones and to those not eligible for the exemption such as vacant land, rental properties and seasonal homes. The small commercial exemption is a similar shift within the class in that it excludes a percentage of the assessed value of each eligible parcel. It covers commercial real estate property valued at less than \$1 million that is occupied by certified small business (10 or fewer employees).

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

Total municipal revenue for the Greater Marlborough Region (GMR) rose from \$193.7 million in FY2000 to \$361.4 million in FY2013, an increase of 86.6%. Municipal revenue nearly doubled in Hudson (93.9%) and Northborough (98.6%) and more than doubled in Westborough (100.1%), while municipal revenue only increased by 71.1% in Marlborough. Per capita municipal revenue for GMR residents varied widely by community. In FY2013, the tax levy accounted for about 63.6% of total municipal revenue for GMR, while state aid contributed about 14.2%; local receipts and the “all other” category comprised the remainder. About 61.9% of the tax levy was generated from residential property taxes in FY2013. These and other municipal revenue characteristics for the Greater Marlborough Region are described in more detail on the following pages.

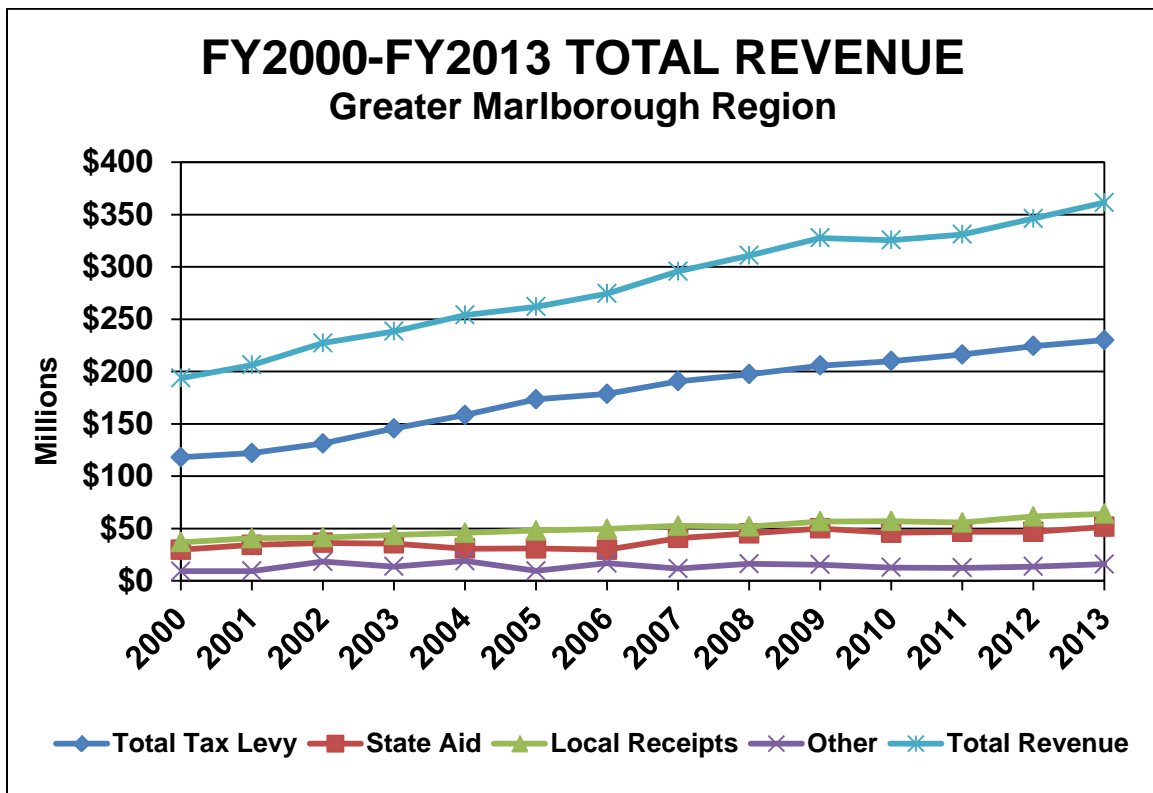
GROWTH IN MUNICIPAL REVENUE FY2000 to FY2013



Source: MA Department of Revenue, DLS, and MERC

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

Total municipal revenue for the Greater Marlborough Region (GMR) rose from \$193.7 million in FY2000 to \$361.4 million in FY2013, an increase of 86.6%. Over the same period, the tax levy increased 94.8% from \$118.1 million to \$230.0 million. State aid rose from \$29.7 million in FY2000 to \$51.5 million in FY2013. Between FY2000 and FY2013, state aid had an average annual year to year rate of increase of 4.3%. Local receipts of \$64.0 million accounted for 17.7% of municipal revenue for FY2013. Revenue from local receipts has increased 74.0% from FY2000. The “all other” category which includes available free cash was \$16.0 million for FY2013, accounting for 4.4% of municipal revenue. This “all other” category has exhibited some volatility over the period and the dollar value almost doubled since FY2000.

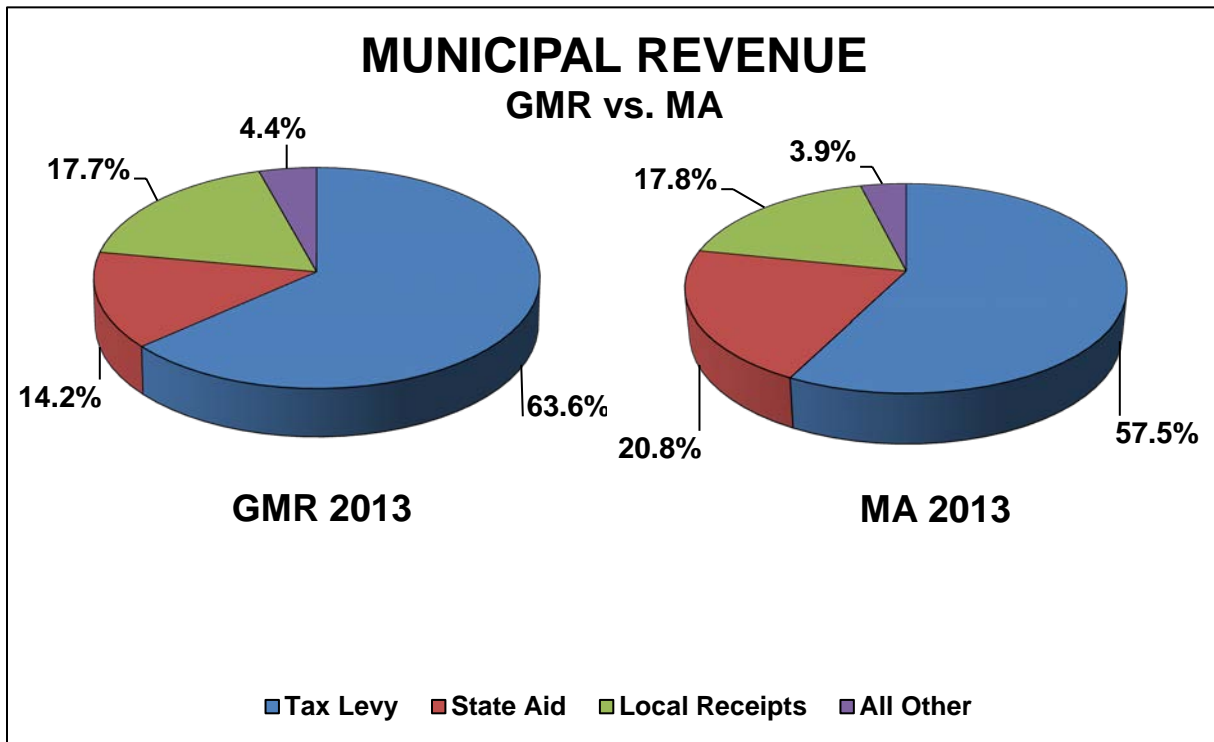


Source: MA Department of Revenue, DLS, and MERC

Fiscal Year	Tax Levy	State Aid	Local Receipts	All Other	Total Revenue
2000	\$118,091,487	\$29,655,896	\$36,784,508	\$9,168,841	\$193,700,732
2005	\$173,372,457	\$30,904,388	\$48,047,978	\$9,516,873	\$261,841,696
2006	\$178,510,182	\$29,614,851	\$49,456,531	\$16,789,264	\$274,370,828
2010	\$209,984,897	\$45,871,936	\$56,991,340	\$12,661,476	\$325,509,649
2012	\$224,340,767	\$46,835,356	\$61,420,334	\$13,633,078	\$346,229,535
2013	\$229,986,982	\$51,459,242	\$64,015,032	\$15,957,378	\$361,418,634

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

Total municipal revenue is comprised of the tax levy, state aid, local receipts, and the “all other” category. The graph below compares the percentage distribution of FY2013 municipal revenue combined for all 351 communities in the state with GMR. The FY2013 Greater Marlborough Region distribution was: tax levy (64%); state aid (14%); local receipts (18%); and “all other” (4%). Comparable percentages for all municipalities were: tax levy (58%); state aid (21%); local receipts (18%); and “all other” (4%). Comparable percentages for FY 2012 for the GMR were: tax levy (65%); state aid (14%); local receipts (18%); and “all other” (4%). The table below also reflects the distribution for GMR for FY2012 which is very similar in comparison to FY2013 for GMR.

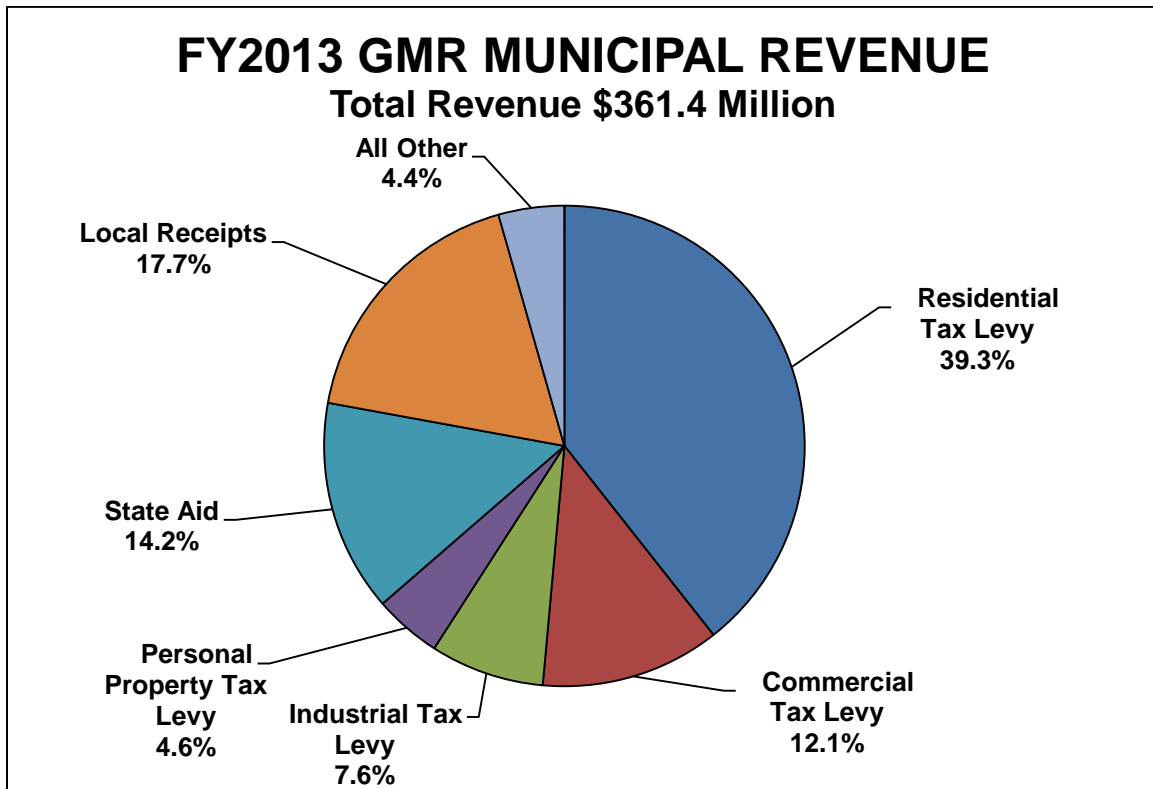


Source: MA Department of Revenue, DLS, and MERC

	GMR 2013	GMR 2012	MA 2013
Tax Levy	63.6%	64.8%	57.5%
State Aid	14.2%	13.5%	20.8%
Local Receipts	17.7%	17.7%	17.8%
All Other	4.4%	3.9%	3.9%

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

Total municipal revenue for FY2013 in the Greater Marlborough Region (GMR) amounted to \$361.4 million, an increase of 4.2% from FY2012. For FY2013 the total tax levy generated 63.6% of total municipal revenue for the region. The tax levy is comprised of residential real estate taxes (39.3%), commercial real estate taxes (12.1%), industrial real estate taxes (7.6%) and personal property taxes (4.6%). State aid (14.2%), local receipts (17.7%) and the “all other” category (4.4%) provided the remaining 36.4%.

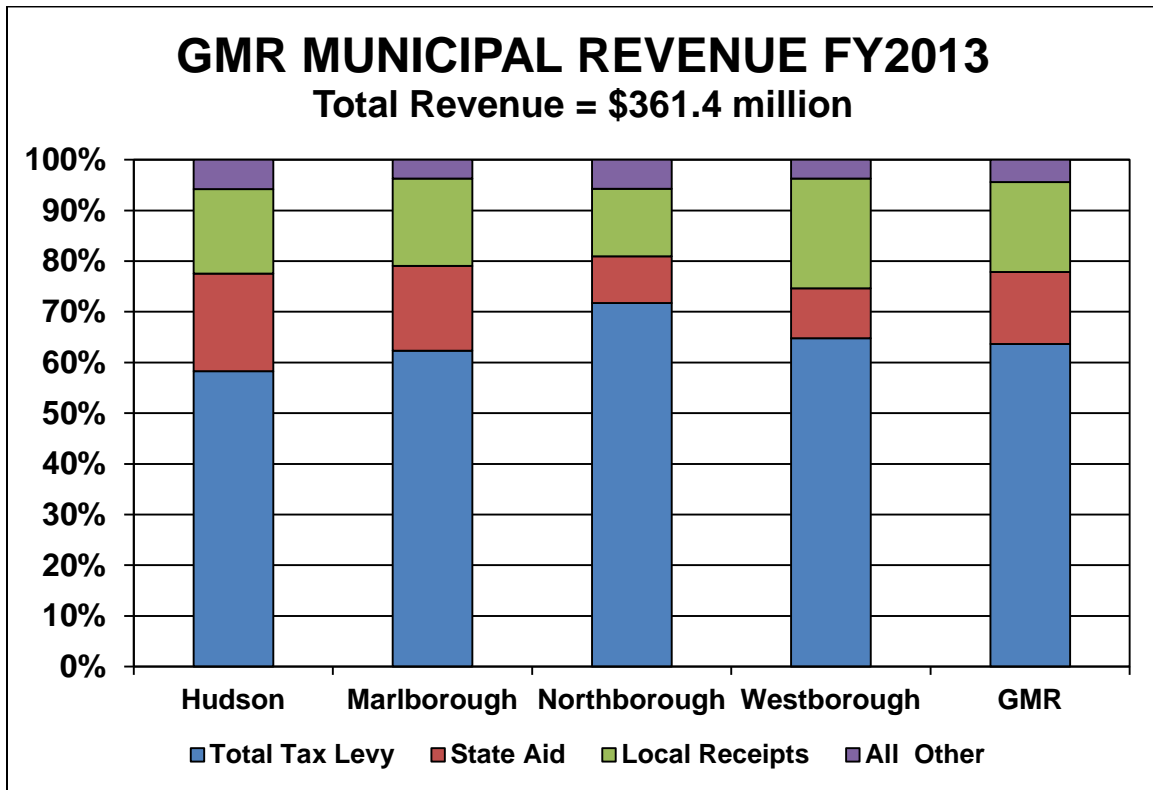


Source: MA Department of Revenue, DLS, and MERC

Revenue Category	Amount	% of Total Revenue
Residential Tax Levy	\$142,256,675	39.3%
Commercial Tax Levy	\$43,651,346	12.1%
Industrial Tax Levy	\$27,678,304	7.6%
Personal Property Tax Levy	\$16,400,657	4.6%
Total Tax Levy (Sum of 1-4)	\$229,986,982	63.6%
State Aid	\$51,459,242	14.2%
Local Receipts	\$64,015,032	17.7%
All Other	\$15,957,378	4.4%
Total Revenue	\$361,418,634	100.0%

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

Municipal revenue for the Greater Marlborough Region in FY2013 totaled \$361.4 million. The GMR communities collected 63.6% of their revenue from the tax levy, 14.2% from state aid, 17.7% from local receipts and 4.4% from the “all other” category. There were wide variations in the distribution of these revenue components by municipality. The tax levy as a percentage of total municipal revenue ranged from 71.7% in Northborough to 58.3% in Hudson. State aid as a percentage of total municipal revenue ranged between 19.2% in Hudson and 9.2% in Northborough. Local receipts fell between 21.7% in Westborough and 13.3% in Northborough. Hudson collected 5.8% of its revenue from the “all other” category followed closely by Northborough with a collection of 5.7%.

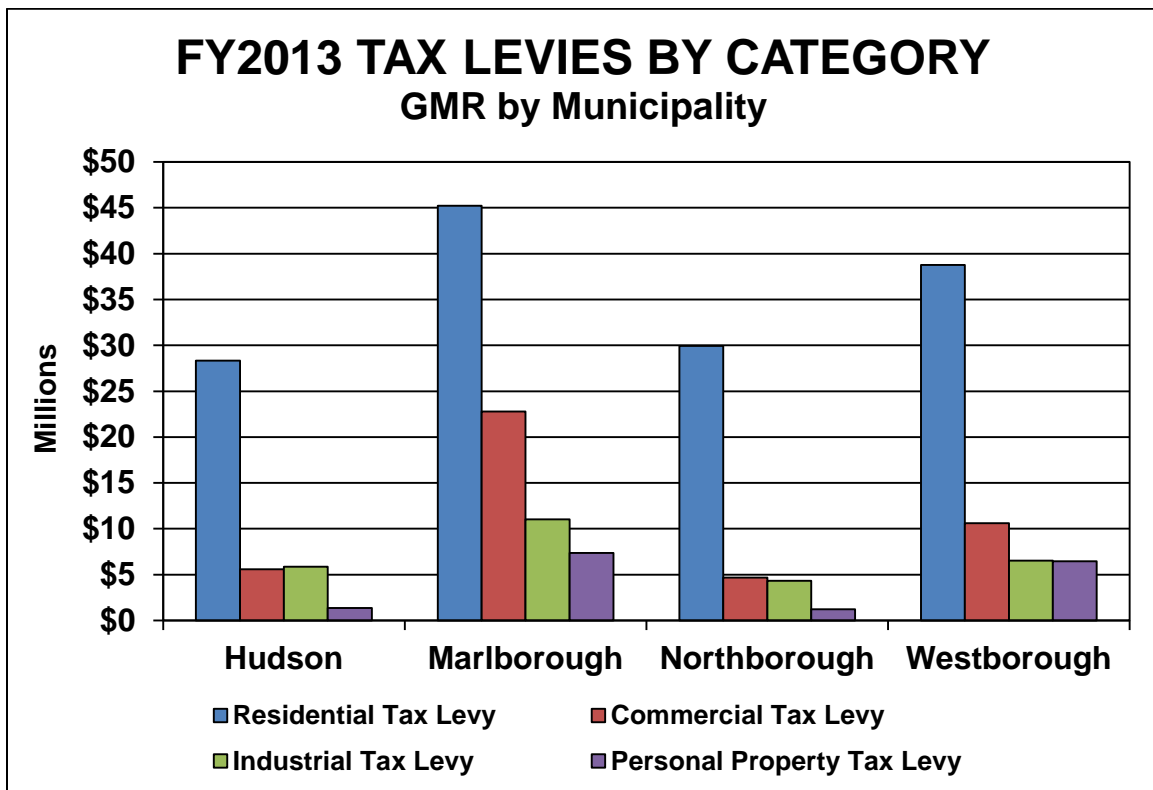


Source: MA Department of Revenue, DLS, and MERC

Municipality	Total Tax Levy	State Aid	Local Receipts	All Other
Hudson	\$41,107,005	\$13,553,550	\$11,767,918	\$4,093,243
Marlborough	\$86,361,361	\$23,254,150	\$23,912,180	\$5,111,434
Northborough	\$40,143,508	\$5,159,360	\$7,452,065	\$3,194,582
Westborough	\$62,375,108	\$9,492,182	\$20,882,869	\$3,558,119
GMR	\$229,986,982	\$51,459,242	\$64,015,032	\$15,957,378

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

The tax levy for the Greater Marlborough Region (GMR) was \$230.0 million in FY2013, an increase of 2.5% over FY2012. In FY2013, Marlborough collected \$45.2 million in residential real estate taxes, \$22.8 million in commercial real estate taxes, \$11.0 million in industrial real estate taxes, and \$7.3 million in personal property taxes; each of which were the highest tax levies by category in GMR. While Northborough had the lowest totals for commercial, industrial, and personal property taxes at \$4.7 million, \$4.3 million, and \$1.2 million respectively, Northborough's contribution to the region's commercial assessment was 10.7%, 15.6% to the region's industrial assessment, and 7.4% to the region's personal property tax assessment. The residential tax levy for Northborough was \$29.9 million, just 5.7% greater than the region's lowest, which was Hudson at \$28.3 million. Noteworthy is the town of Westborough with substantial economic growth in recent years both with respect to jobs and corresponding property tax assessments.

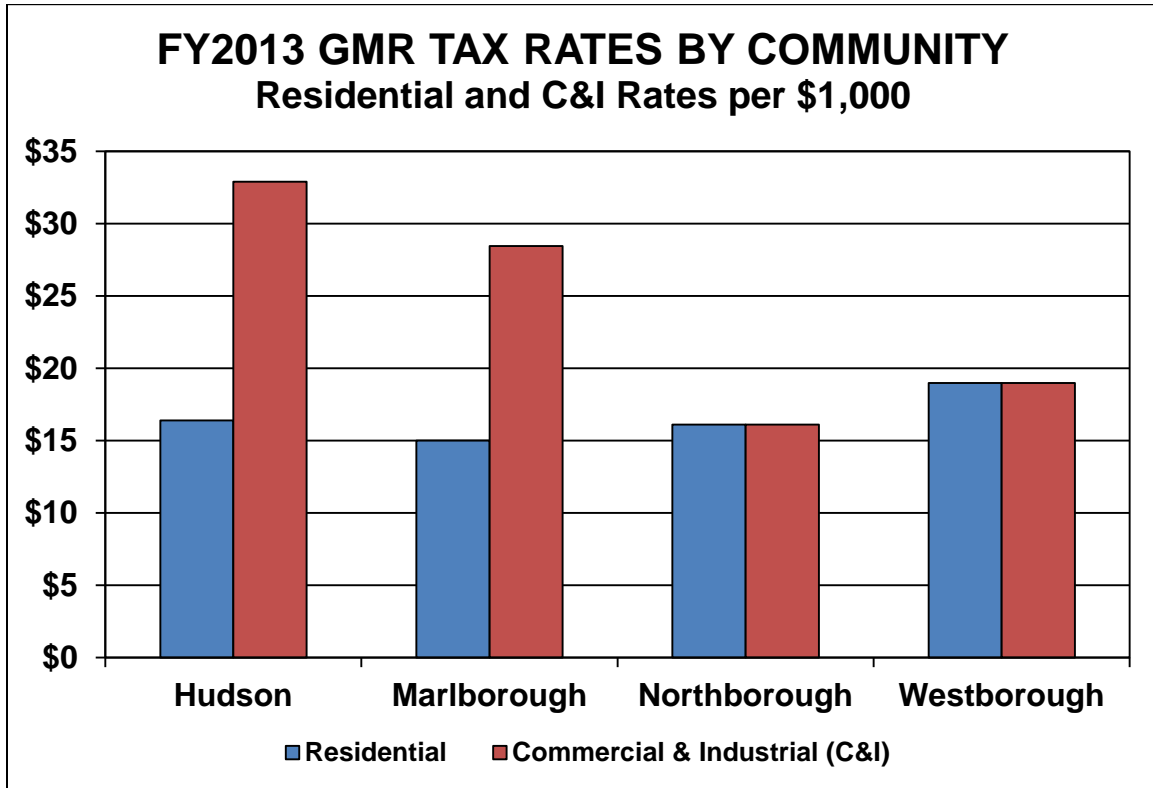


Source: MA Department of Revenue, DLS, and MERC

Municipality	Residential	Commercial	Industrial	Personal Property
Hudson	\$28,327,591	\$5,564,171	\$5,847,034	\$1,368,209
Marlborough	\$45,212,902	\$22,788,368	\$11,011,642	\$7,348,449
Northborough	\$29,930,872	\$4,678,642	\$4,314,737	\$1,219,257
Westborough	\$38,785,310	\$10,620,165	\$6,504,891	\$6,464,742
GMR	\$142,356,675	\$43,651,346	\$27,678,304	\$16,400,657

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

FY2013 Greater Marlborough Region (GMR) residential tax rates by municipality ranged between \$18.97 per thousand in Westborough and \$15.00 per thousand in Marlborough. Two of the communities had the same rates for residential real estate and commercial and industrial (C&I) real estate while two of the communities had different or “split” rates. The respective FY2013 C&I split rates were: Hudson, \$32.90 and Marlborough, \$28.46. The table below provides FY2013 residential assessed values and total assessed values by community. See the Appendix for further information on local taxing options.

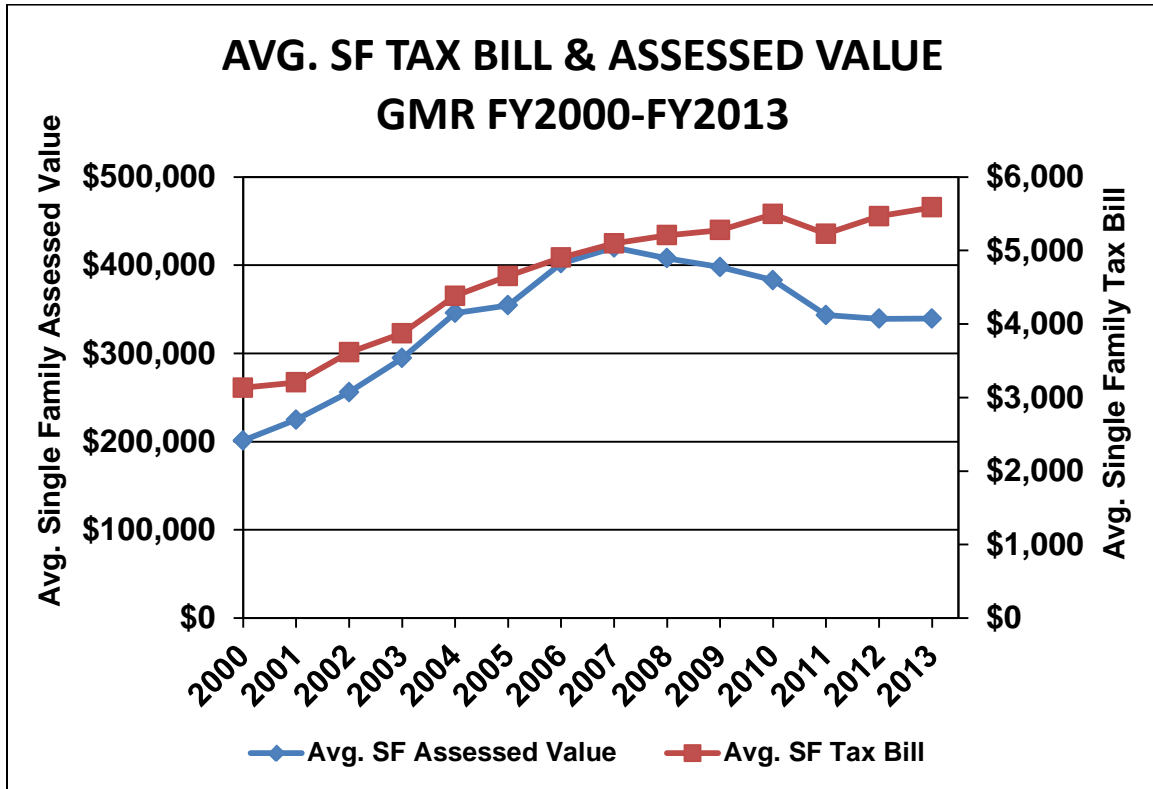


Source: MA Department of Revenue, DLS, and MERC

Municipality	Residential Assessed Value	Total Assessed Value	Residential Rate/\$1,000	C&I Rate
Hudson	\$1,729,401,159	\$2,117,833,200	\$16.38	\$32.90
Marlborough	\$3,014,193,456	\$4,460,028,237	\$15.00	\$28.46
Northborough	\$1,857,906,419	\$2,491,837,878	\$16.11	\$16.11
Westborough	\$2,044,560,378	\$3,288,092,151	\$18.97	\$18.97
GMR	\$8,646,061,412	\$12,357,791,466	N.A.	N.A.

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

The average single family assessed value for the Greater Marlborough Region is shown in blue and read on the left vertical axis, while the average single family tax bill is shown in red and read on the right vertical axis. The average single family tax bill increased from a low of \$3,133 in FY2000 to a high of \$5,586 in FY2013. The average single family assessed value fluctuated between FY2000 and FY2013. The lowest value occurred in FY2000 at \$201,202 and peaked in FY2007 at \$419,976.

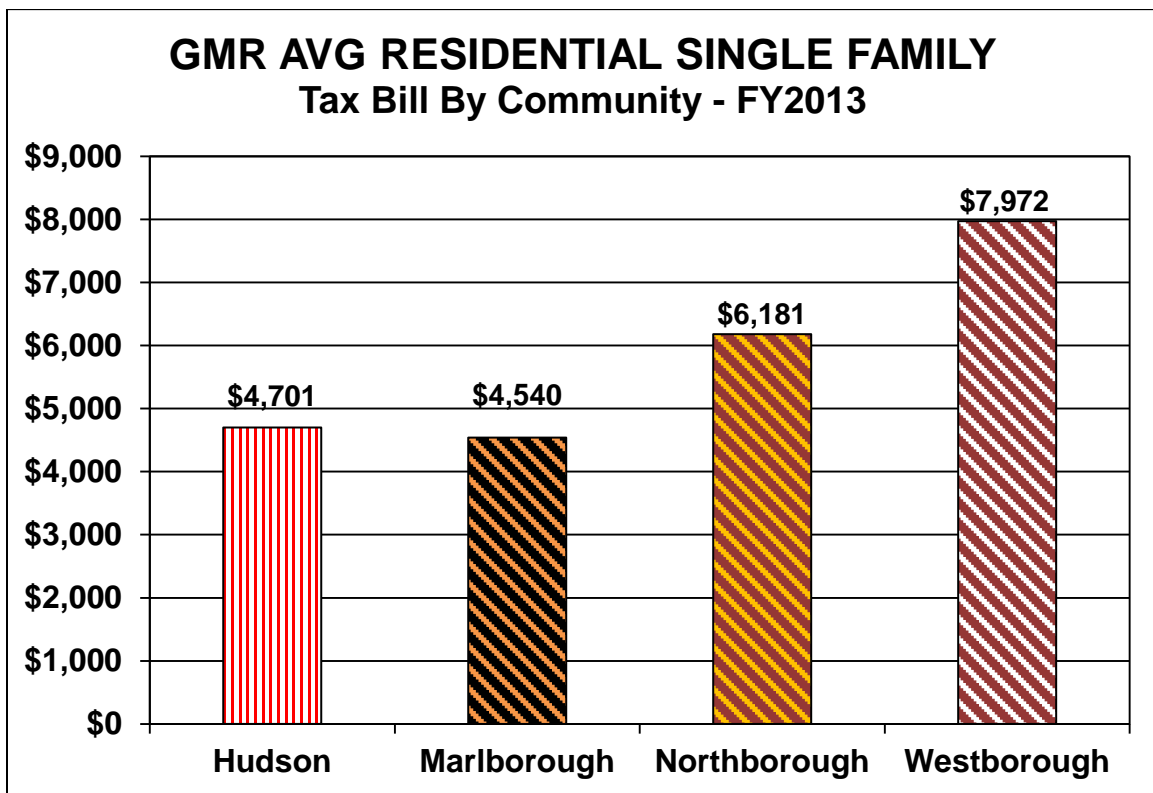


Source: MA Department of Revenue, DLS, and MERC

Fiscal Year	Avg. SF Assessed Value	Avg. SF Tax Bill
2000	\$201,202	\$3,133
2001	\$224,882	\$3,205
2002	\$256,110	\$3,613
2003	\$294,702	\$3,872
2004	\$345,901	\$4,383
2005	\$354,603	\$4,653
2006	\$402,022	\$4,903
2007	\$419,976	\$5,096
2008	\$407,926	\$5,208
2009	\$397,886	\$5,278
2010	\$383,069	\$5,496
2011	\$343,508	\$5,228
2012	\$339,310	\$5,466
2013	\$339,509	\$5,586

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

FY2013 Greater Marlborough Region tax bills for single family residences varied widely by municipality. Calculated in each community by applying the residential rate to the single family average assessed value (below), the average tax bills were: Hudson, \$4,701; Marlborough, \$4,540; Northborough, \$6,181 and Westborough \$7,972. The average assessed value for single family homes was determined by dividing total single family assessed value calculated by each community by the number of single family parcels in that community. Noteworthy are the towns of Hudson and Northborough, which had a comparable number of single family parcels in FY2013 at 4,375 and 4,005 respectively. While the number of single family parcels only differed between these two communities by 370, the difference between the average single family tax bills was a significant amount of \$1,480.

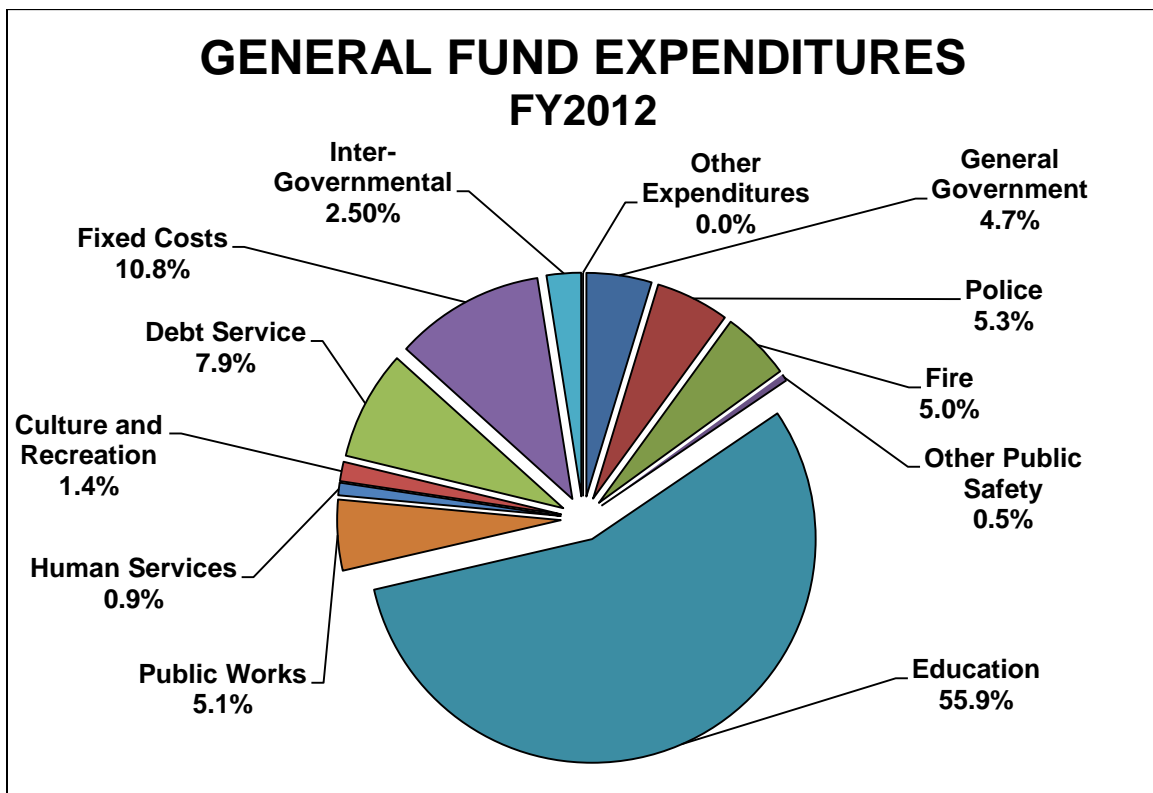


Source: MA Department of Revenue, DLS, and MERC

Municipality	Total Single Family Assessed Value	Single Family Parcels	Single Family Avg. Value	Tax Bill
Hudson	\$1,255,476,250	4,375	\$286,966	\$4,701
Marlborough	\$2,110,643,424	6,973	\$302,688	\$4,540
Northborough	\$1,536,502,230	4,005	\$383,646	\$6,181
Westborough	\$1,612,560,642	3,837	\$420,266	\$7,972

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

The following graph identifies components of the general fund by function, or department and the corresponding distribution for the Greater Marlborough Region for FY2012. The total general fund expenditures for the communities was \$279 million. There are various other funds that municipalities employ that are unique to each community. Some municipalities use enterprise funds to account for water and sewer while others utilize the general fund. This means that careful interpretation is required when comparing the distribution of the general fund as it is often published in municipal reports. Expenditures for the other funds have been estimated at \$67.2 million for the Greater Marlborough Region by subtracting general fund expenditures from total revenue for FY2012 of \$346.2 million. Total revenue is assumed to be equal to total expenditures as communities work with balanced budgets.

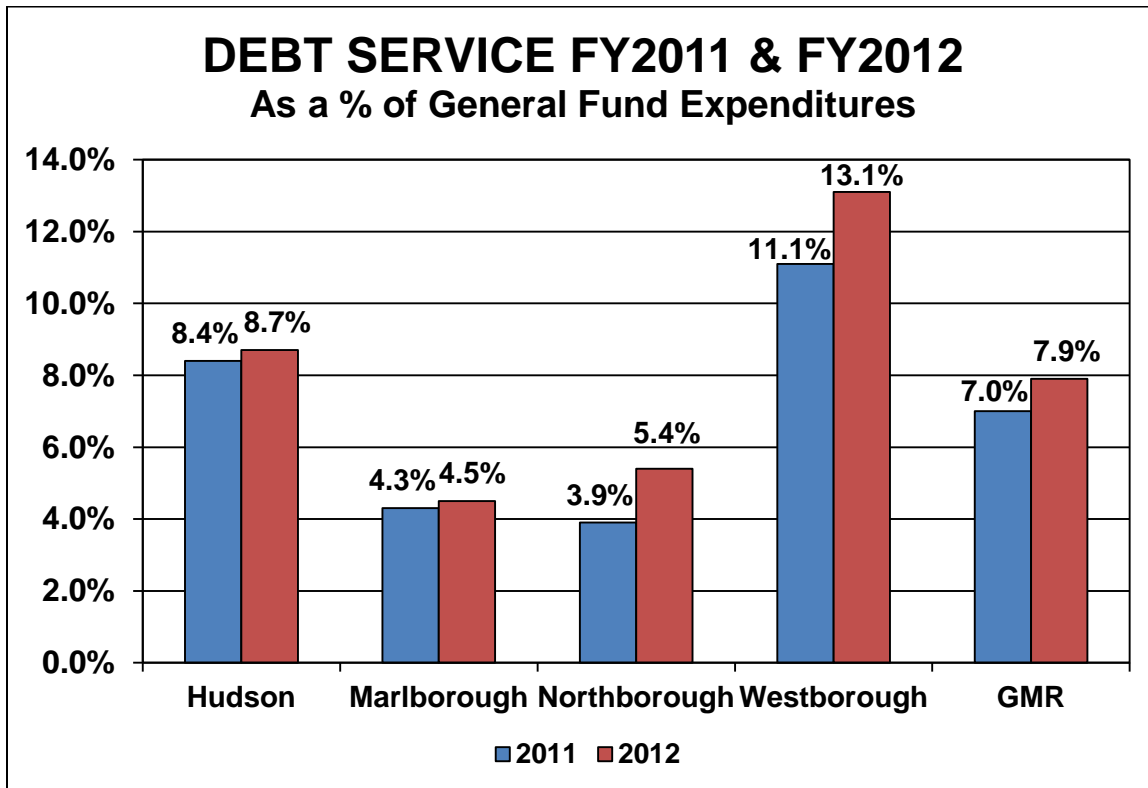


Source: MA Department of Revenue, DLS, and MERC

	% of General Fund	FY2012 Amount
Education	55.8%	\$155,748,863
Public Works	5.1%	\$14,257,106
Police, Fire & Public Safety	10.8%	\$30,247,324
Debt Service	7.9%	\$22,063,314
Fixed Costs	10.8%	\$30,215,288
Expenditures – Other Funds	9.5%	\$26,480,413
TOTAL	99.9%	\$279,012,308

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

Municipalities in the Greater Marlborough Region (GMR) had debt service as a percentage of general fund expenditures that varied widely for both FY2011 and FY2012. Westborough had the highest debt service as a percent of general fund expenditures for both FY2011 (11.1%) and FY2012 (13.1%). Marlborough had the lowest in FY2012 with 4.5%. Hudson is closest to the region as a whole with 8.4% in FY2011 and 8.7% in FY2012 compared to GMR at 7.9% in FY2011 and 7.0% in FY2012. Although each community within GMR had an increase from FY2011 to FY2012, the debt service percent of general fund for the region increased by 0.9% during this period.

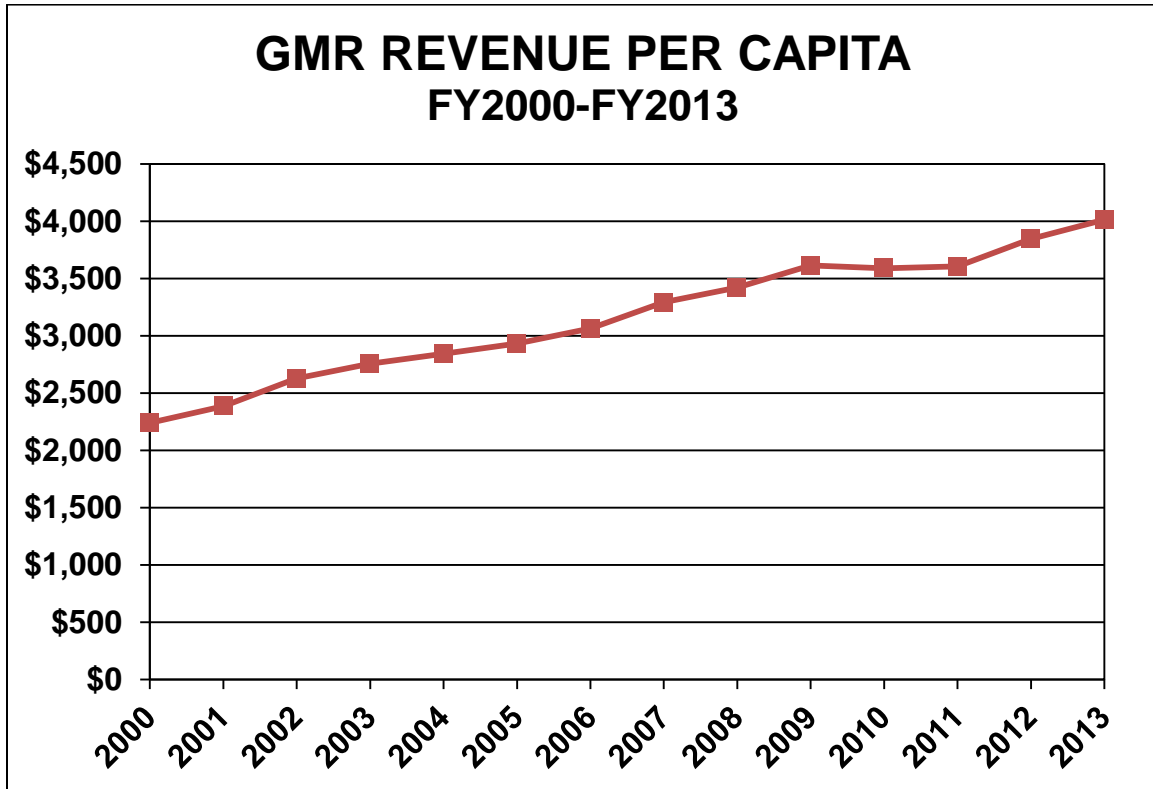


Source: Massachusetts Department of Revenue, DLS, and MERC

Municipality	Debt Service FY2011		Debt Service FY2012	
	Debt Service	% of Gen Fund	Debt Service	% of Gen Fund
Hudson	\$4,887,871	8.4%	\$5,284,317	8.7%
Marlborough	\$3,961,876	4.3%	\$4,314,216	4.5%
Northborough	\$1,726,143	3.9%	\$2,458,987	5.4%
Westborough	\$8,171,309	11.1%	\$10,005,794	13.1%
GMR	\$18,747,199	7.0%	\$22,063,314	7.9%

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

Municipal revenue per capita for the Greater Marlborough Region (GMR) increased from \$2,242 in FY2000 to \$4,016 in FY2013. This represented an average annual rate of increase of about 4.7% over the 13 year period. This statistic can also be viewed as spending per capita as communities work with balanced budgets. The largest actual rate of increase over the prior period occurred in FY2002 over FY2001 with an increase 10.1%.

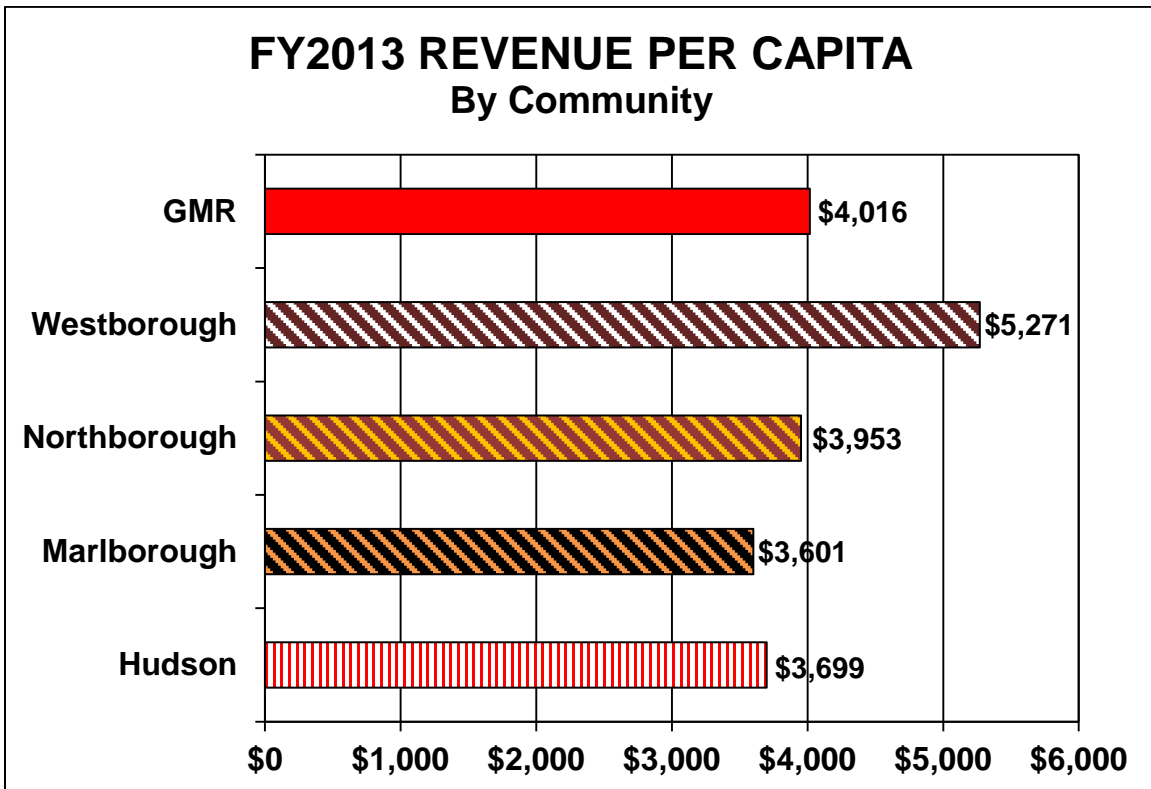


Source: MA Department of Revenue, DLS, and MERC

Fiscal Year	Municipal Revenue Per Capita	% Change Over Prior Year
2000	\$2,242	N.A.
2001	\$2,387	6.5%
2002	\$2,630	10.1%
2003	\$2,759	4.9%
2004	\$2,844	3.1%
2005	\$2,933	3.1%
2006	\$3,066	4.5%
2007	\$3,293	7.4%
2008	\$3,422	3.9%
2009	\$3,615	5.6%
2010	\$3,591	- 0.7%
2011	\$3,608	0.5%
2012	\$3,847	6.6%
2013	\$4,016	4.3%

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

Per capita municipal revenue in the Greater Marlborough Region (GMR) for FY2013 totaled \$4,016. The number was determined by dividing aggregated municipal revenue for the region by the July 1, 2012 Census population estimates. The corresponding per capita municipal revenue community amounts were: Hudson, \$3,699; Marlborough, \$3,601; Northborough, \$3,953; and Westborough, \$5,271. This statistic can be viewed as spending per capita as municipalities work with balanced budgets. Please note that regional school state aid is not included in municipal revenue.



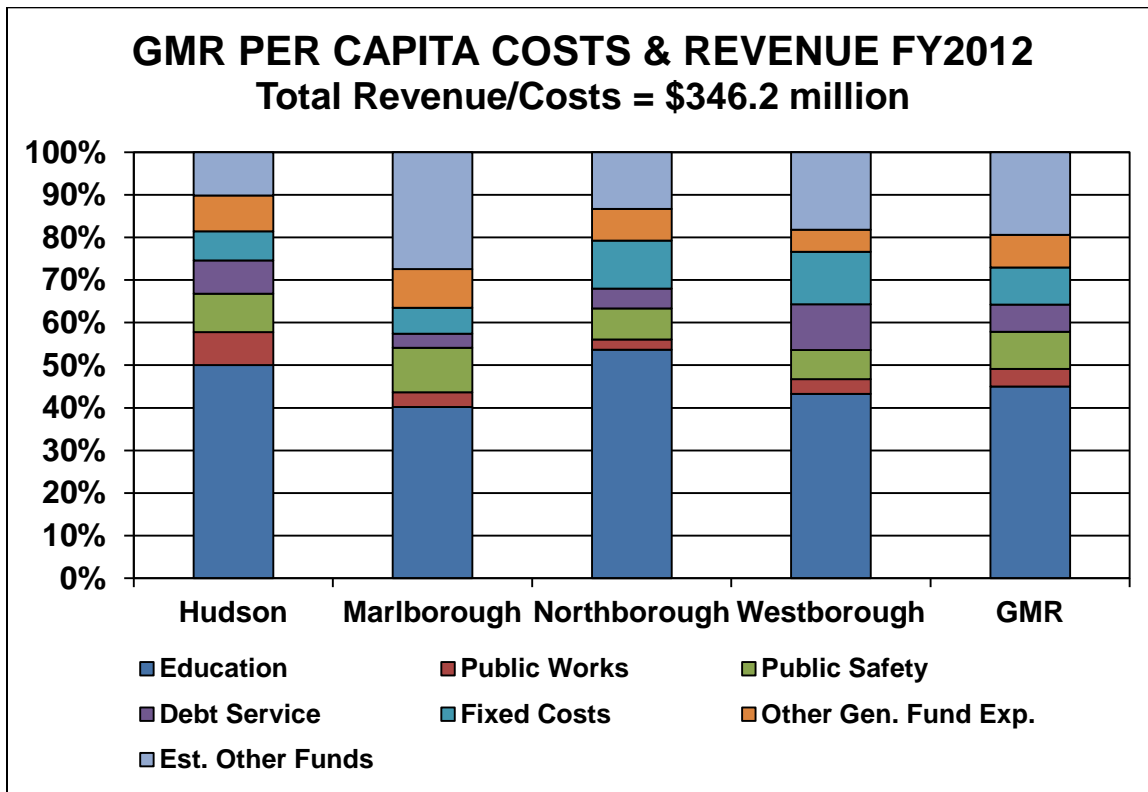
Source: MA Department of Revenue, DLS, US Census, and MERC

Municipality	Total Municipal Revenue*	Population Est. 7/1/12	Municipal Revenue Per Capita
Hudson	\$70,521,716	19,063	\$3,699
Marlborough	\$138,639,125	38,499	\$3,601
Northborough	\$55,949,515	14,155	\$3,953
Westborough	\$96,308,278	18,272	\$5,271
Greater Marlborough	\$361,418,634	89,989	\$4,016

*Does not include state education aid for regional schools.

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

The following graph and related table compare per capita general fund spending by function by community for FY2012. The graph shows the per capita percentage distribution of costs by community and the table shows the corresponding amounts. There are wide variations by community. Noteworthy as discussed on page 10, there are various other funds that municipalities employ that are unique to each community. Expenditures for other funds have been estimated for each community by subtracting total general fund expenditures from total revenue as communities work with balanced budgets. Hudson spent a larger share than the GMR average on Public Works while Westborough spent a larger share on Debt Service. Both Marlborough and Westborough spent smaller shares on Education than the GMR average.

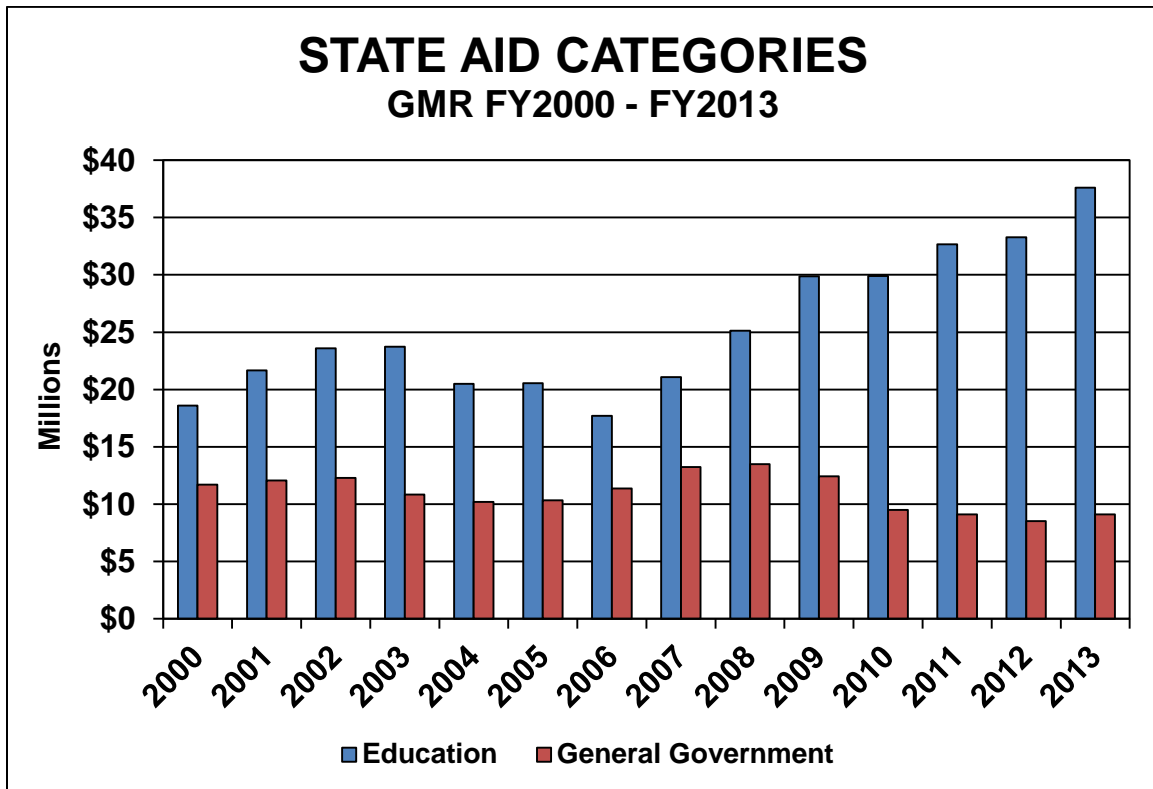


Source: MA Department of Revenue, DLS, and MERC

	Hudson	Marlborough	Northborough	Westborough	GMR
Education	\$1,767	\$1,385	\$1,992	\$2,218	\$1,731
Public Works	\$274	\$117	\$88	\$178	\$158
Public Safety	\$318	\$362	\$270	\$351	\$336
Debt Service	\$277	\$112	\$174	\$548	\$245
Fixed Costs	\$243	\$210	\$420	\$633	\$336
Other GF Exp.	\$297	\$314	\$275	\$265	\$294
Est. Other Funds	\$358	\$944	\$494	\$934	\$747
Revenue/Spending	\$3,534	\$3,444	\$3,713	\$5,127	\$3,847

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

State aid for education given directly to the Greater Marlborough Region (GMR) communities increased from \$18.6 million in FY2000 to \$37.6 million in FY2013. Note that the amount for FY2006 forward does not include estimated continuing school construction aid that is now accounted for separately by the Massachusetts School Building Authority (MSBA). State aid for general government fell from \$11.7 million in FY2000 to \$9.1 million in FY2013. State aid for education combined with general government totaled \$46.7 million in FY2013.

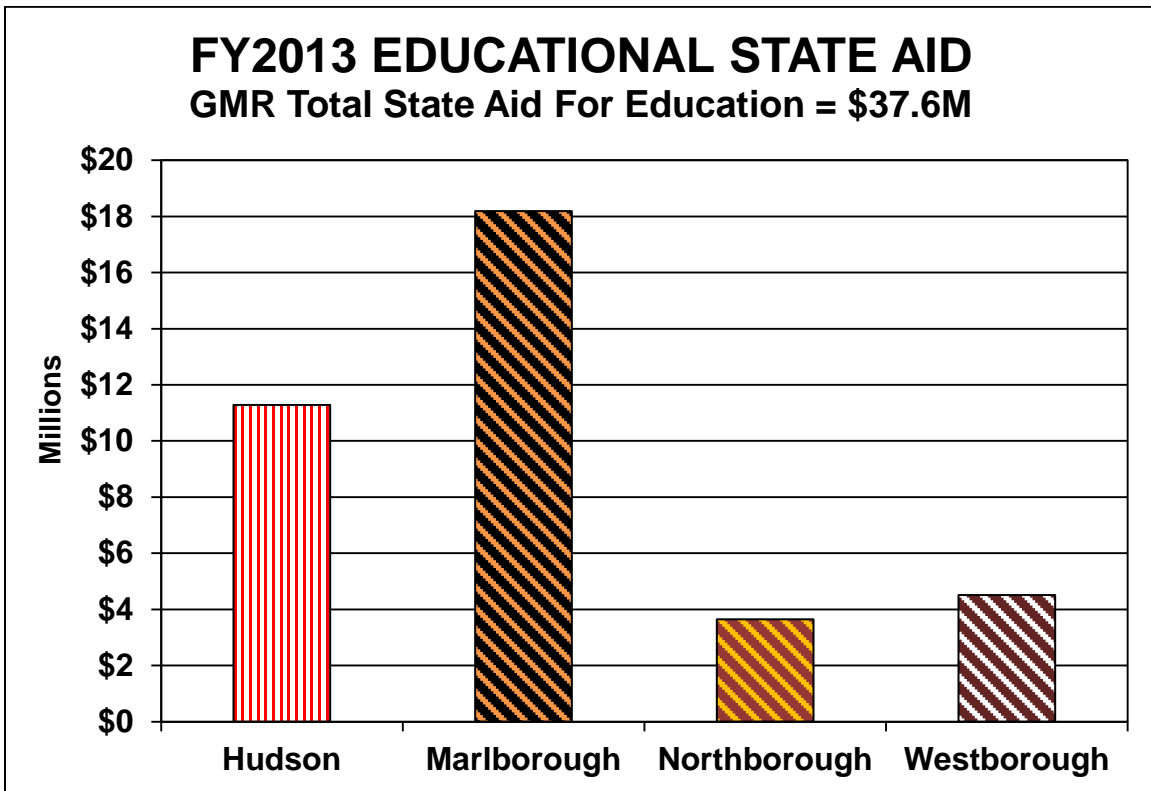


Source: MA Department of Revenue, DLS, and MERC

Fiscal Year	State Aid Education	State Aid General Government	State Aid Total
2000	\$18,612,117	\$11,703,430	\$30,315,547
2005	\$20,559,011	\$10,343,377	\$30,902,388
2006	\$17,710,878	\$11,371,948	\$29,082,826
2010	\$29,889,431	\$9,498,398	\$39,387,829
2012	\$33,280,544	\$8,511,990	\$41,792,534
2013	\$37,618,739	\$9,100,297	\$46,719,036

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

The following graph shows FY2013 educational state aid received directly by each community for the Greater Marlborough Region (GMR). Marlborough, the largest city in population and public school enrollment, received the most in educational state aid at \$18.2 million. The table below shows total educational state aid, total educational expenditures and respective percentages by community. Marlborough’s state aid for education represented 34% of its educational expenditures, followed by Hudson at nearly 34%. Northborough and Westborough were significantly lower at 13.0% and 11.1% respectively in state aid for education as a percent of total educational expenditures. Regional school state aid is given directly to the schools and is not included in these totals.

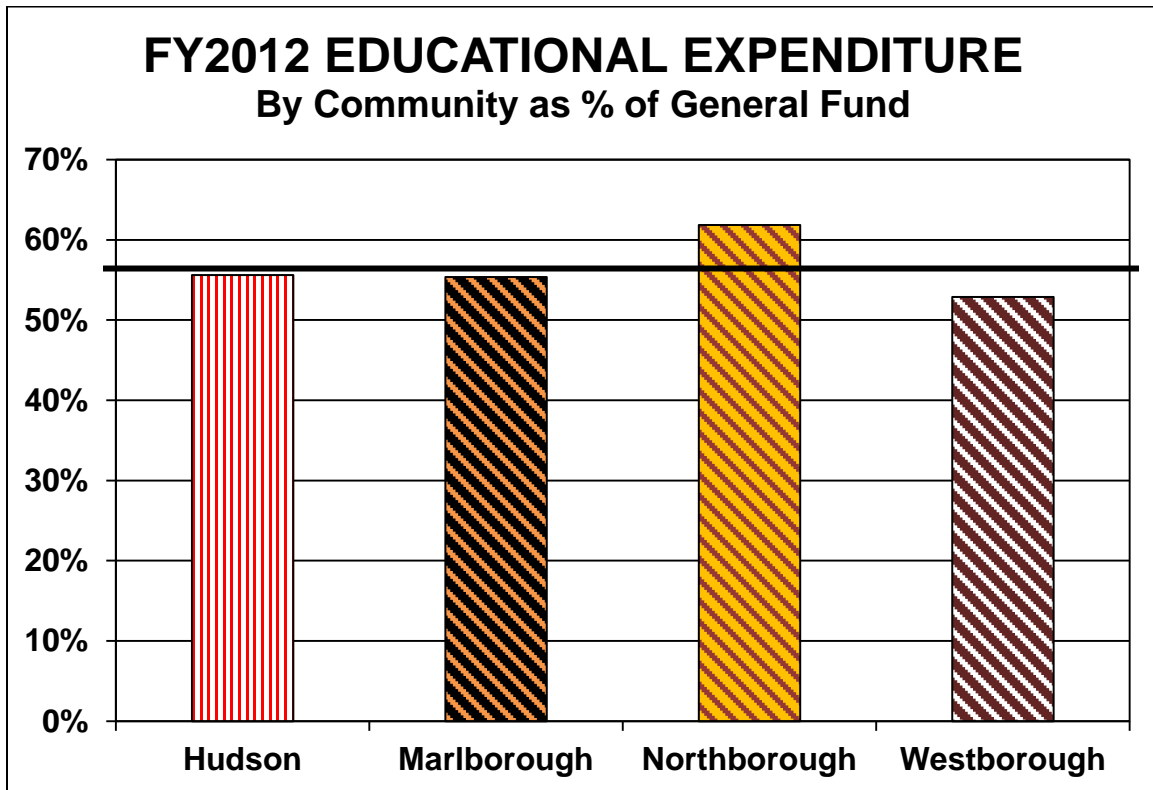


Source: Massachusetts Department of Revenue, DLS, and MERC

Municipality	Total Educational State Aid	Total Education Expenditures	Educational State Aid as % of Educ. Expend.
Hudson	\$11,279,705	\$33,684,604	33.5%
Marlborough	\$18,186,168	\$53,332,728	34.1%
Northborough	\$3,644,280	\$28,195,237	12.9%
Westborough	\$4,508,586	\$40,536,294	11.1%
GMR	\$37,618,739	\$155,748,863	24.2%

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

The following graph shows FY2012 educational expenditures as a percentage of the general fund by community in the Greater Marlborough Region (GMR). The table below shows FY2012 educational expenditures, total general fund expenditures, and the relative percentages. Northborough had the largest share of education expenses as a percent of total general fund expenditures at 61.9%. The remaining three communities spent between 52.9% and 55.6% of their general fund on education. Marlborough, with the largest population and public school enrollment, had the highest educational expenditures, spending \$53.3 million. Northborough spent the least on education at \$28.2 million and has the smallest population in the Greater Marlborough Region.

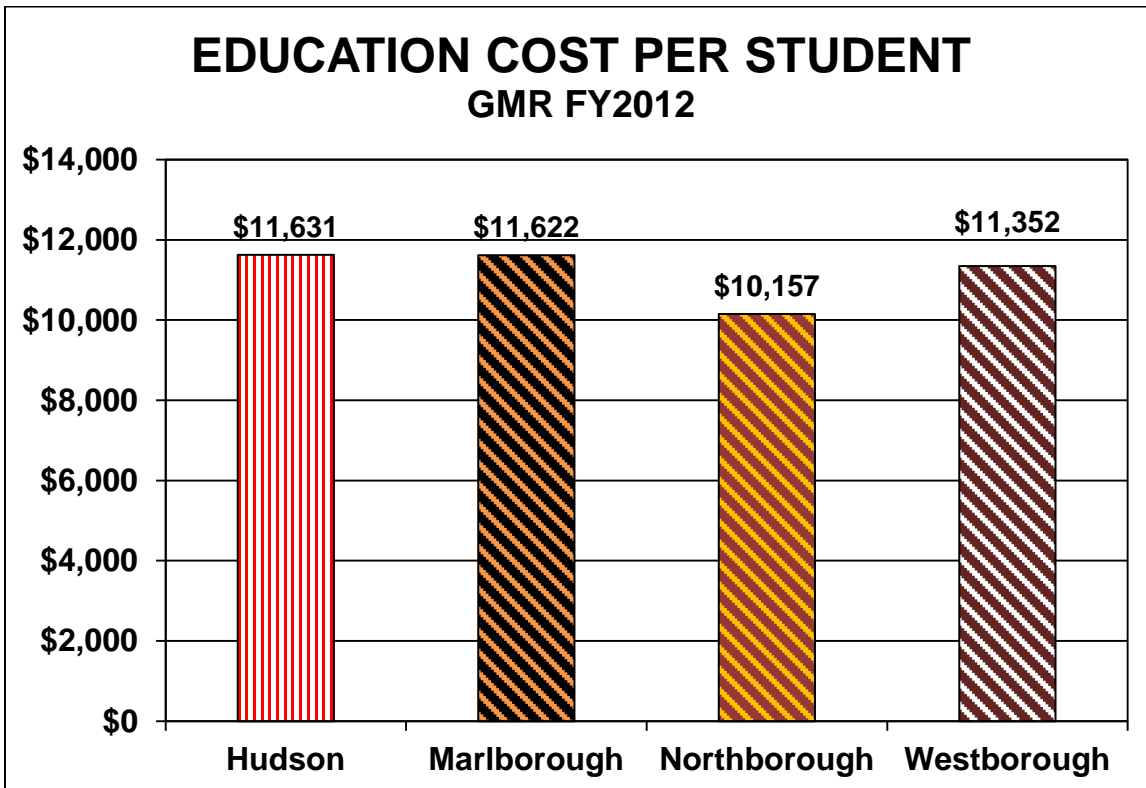


Source: Massachusetts Department of Revenue, DLS, and MERC

Municipality	FY2012 Education Expenditures	Total Gen. Fund Expenditures	Educ. Exp. as % of General Fund
Hudson	\$33,684,604	\$60,543,078	55.6%
Marlborough	\$53,332,728	\$96,283,433	55.4%
Northborough	\$28,195,237	\$45,566,007	61.9%
Westborough	\$40,536,294	\$76,619,790	52.9%
GMR	\$155,748,863	\$279,012,308	55.8%

GREATER MARLBOROUGH REGION – MUNICIPAL REVENUE

The following graph and corresponding table show the education expenditure per student by each community for the Greater Marlborough Region (GMR) in FY2012. Among the four communities within GMR, Northborough had the lowest cost per student at \$10,157. The other three communities; Hudson, Marlborough, and Westborough had higher cost per student at \$11,631, \$11,622, and \$11,352, respectively. These values varied only slightly among the communities, with a difference of \$1,474 between the highest cost per student in Hudson and the lowest cost per student in Northborough. The calculation of total education expenditures does not include insurance, retirement programs, and payments to out-of-district schools.



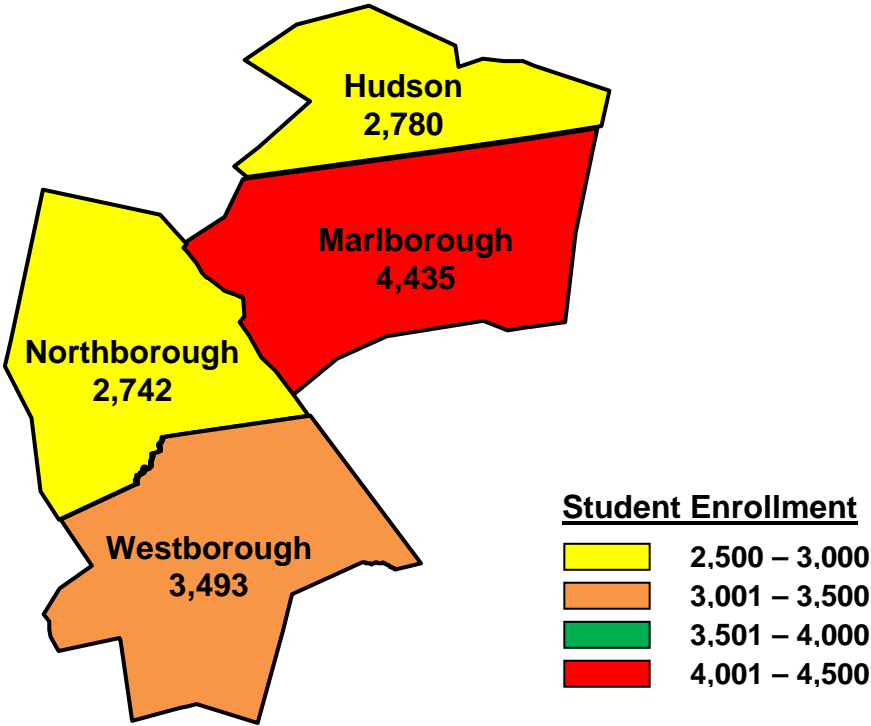
Source: MA Department of Revenue, DLS, and MERC

Municipality	Education Expenditure	Student Pop. K-12	Pre-K	Total Student Population	Cost Per Student
Hudson	\$33,684,604	2,780	116	2,896	\$11,631
Marlborough	\$53,332,728	4,435	154	4,589	\$11,622
Northborough	\$28,195,237	2,742	34	2,776	\$10,157
Westborough	\$40,536,294	3,493	78	3,571	\$11,352

GREATER MARLBOROUGH REGION – K-12 PUBLIC SCHOOL ENROLLMENT

Greater Marlborough Region total K-12 public school enrollment for 2012 was 13,450 students excluding vocational schools and charter schools. The community with the highest recorded enrollment was Marlborough with 4,435 students followed by Westborough with 3,493 students. Marlborough and Westborough students make up 59% of the Greater Marlborough Region student population. Hudson and Northborough each had public school enrollments of more than 2,700 students. The 2012 vocational school enrollment was 553 students and enrollment for the regional charter school was 970.

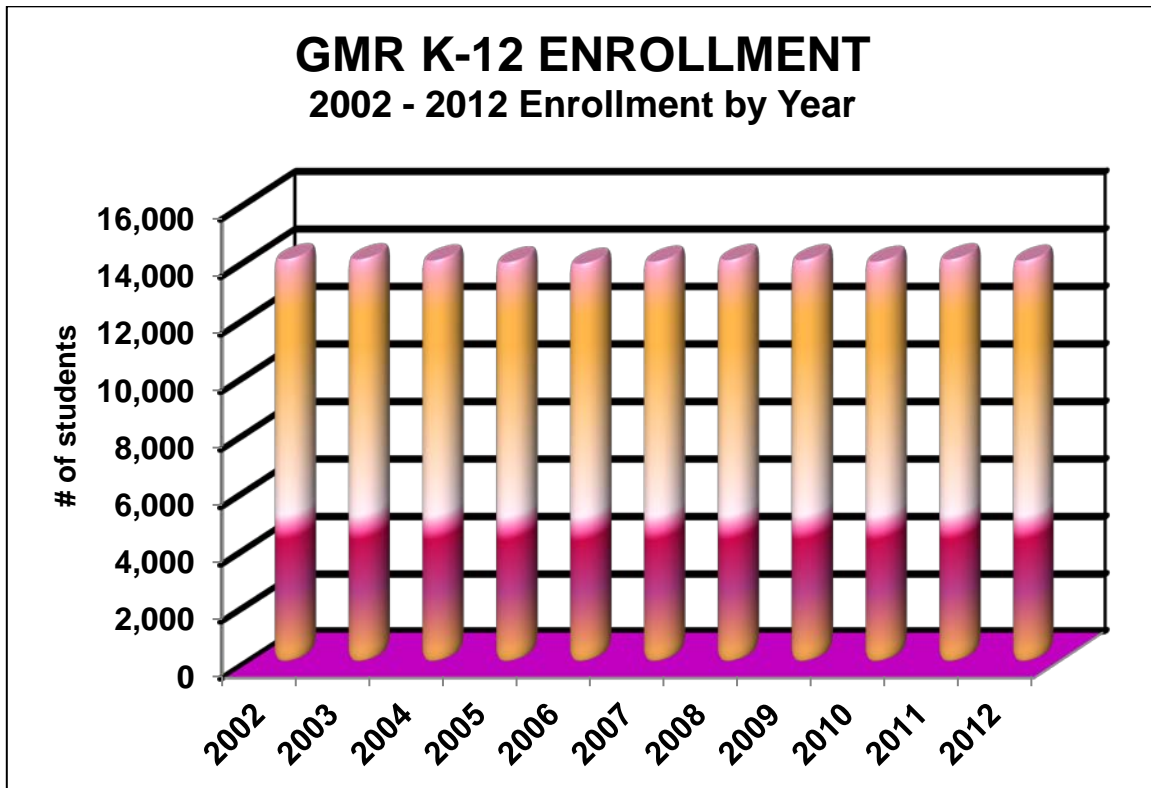
2012 GMR K-12 ENROLLMENT BY COMMUNITY



Source: MA Department of Revenue, DLS, and MERC

GREATER MARLBOROUGH REGION – K-12 PUBLIC SCHOOL ENROLLMENT

Enrollment in the Greater Marlborough Region K-12 public schools totaled 13,450 students in 2012 as compared to 13,470 students in 2002 *excluding* vocational and charter schools. Student enrollment decreased by 0.9% from 2002 and then increased by 0.8% from 2008 to 2012. The vocational school student enrollment in 2002 was 582 and the enrollment decreased to 553 in 2012; a 5.0% decline. The Charter School opened in 2005 with 239 students and student enrollment by 2012 rose to 970; a 306% increase.

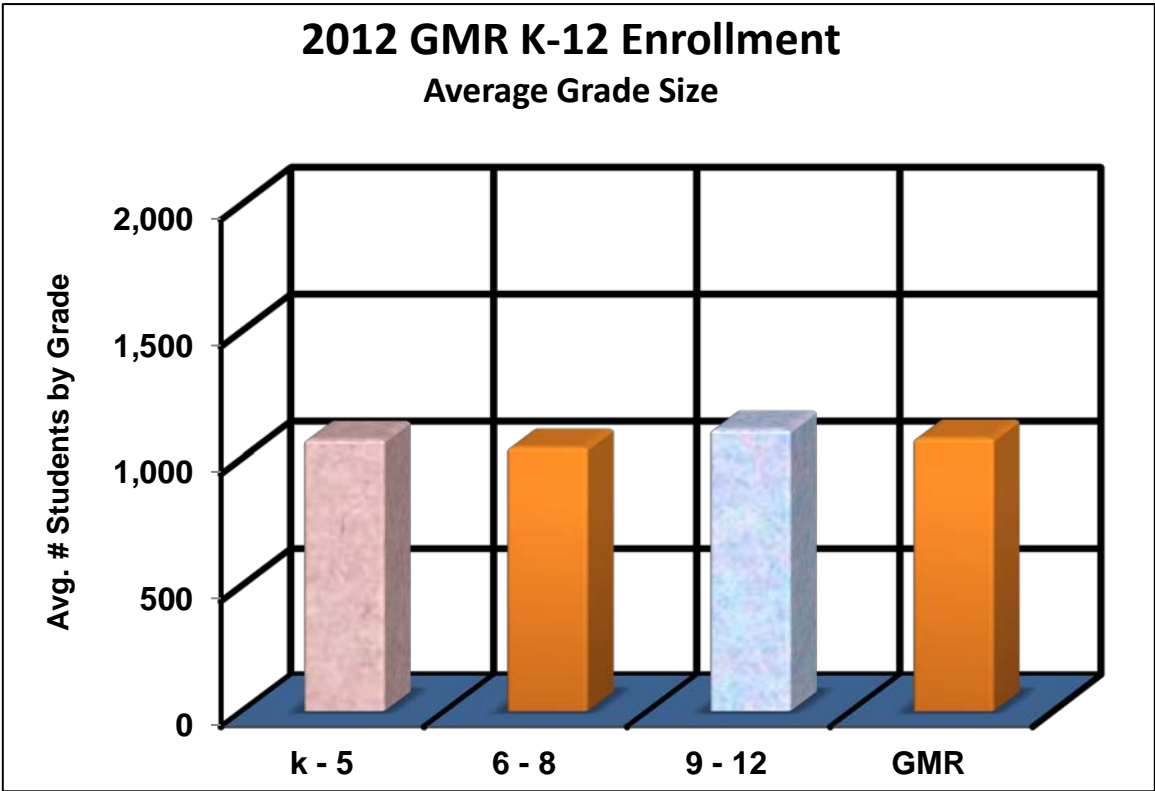


Source: Massachusetts Department of Elementary and Secondary Education and MERC

	Greater Marlborough (except Voc. & Charter)	Vocational School Enrollment	Charter School Enrollment
2002	13,470	582	0
2008	13,348	521	633
2012	13,450	553	970

GREATER MARLBOROUGH REGION – K-12 PUBLIC SCHOOL ENROLLMENT

In 2012, the Greater Marlborough Region K-12 public school enrollment averaged 1,077 students per grade. At the K-5 school level the average number of students per grade was 1,072. The average number of students per grade in middle school was 1,041. The average number of students per grade at the high school level was 1,112. The average number of students per grade was calculated including the vocational school enrollment. The regional charter school enrollment is not included in the calculations.

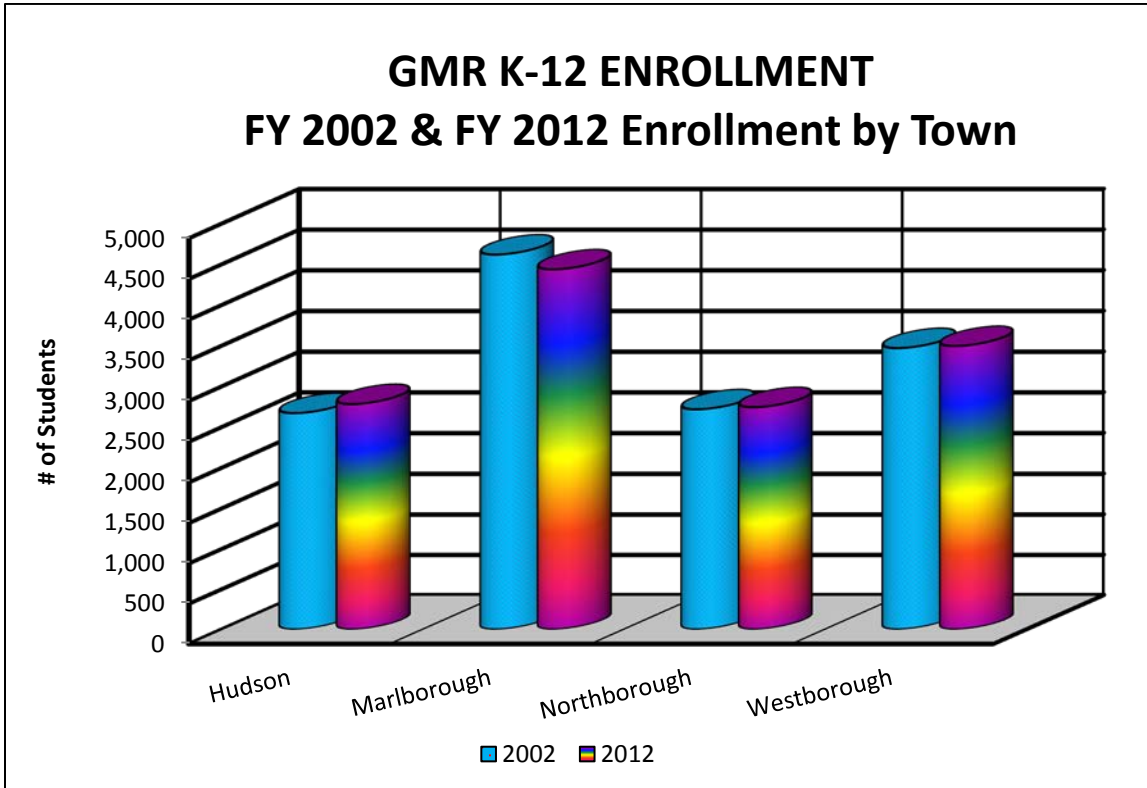


Source: Massachusetts Department of Elementary and Secondary Education and MERC

	Total Enrollment	Grades	Enrollment by Grade
K – 5	6,431	6	1,072
6 – 8	3,124	3	1,041
9 – 12	4,448	4	1,112
GMR	14,003	13	1,077

GREATER MARLBOROUGH REGION – K-12 PUBLIC SCHOOL ENROLLMENT

Marlborough public school enrollment decreased by 3.9% from 2002 to 2012. Hudson (4.2%), Northborough (0.96%), and Westborough (0.72%) increased over the same time period. The public school enrollment for the vocational and charter schools are not included in these figures.



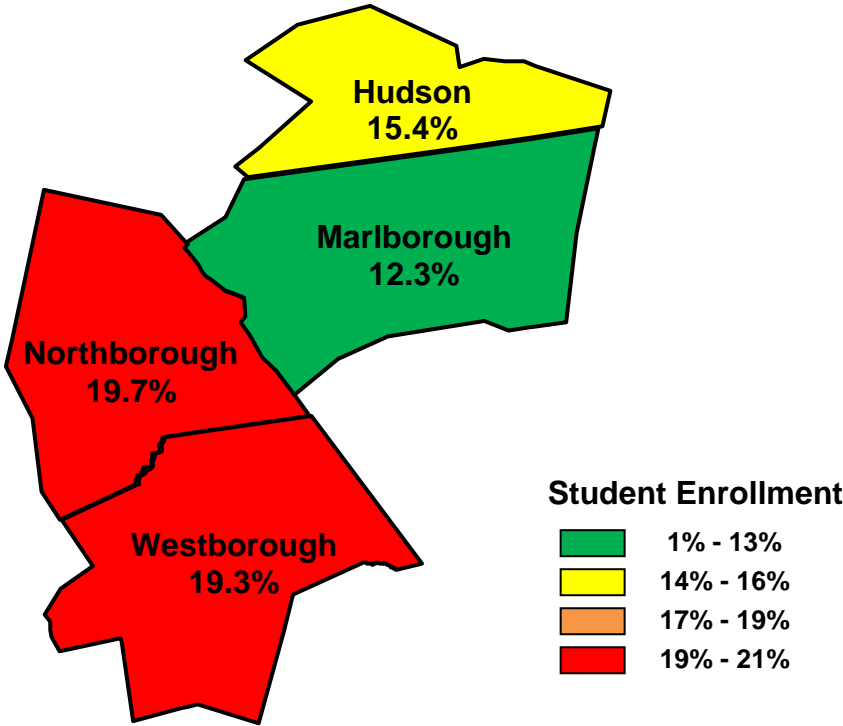
Source: Massachusetts Department of Elementary and Secondary Education and MERC

PUBLIC SCHOOL ENROLLMENT			
Municipality	2002	2012	Difference
Hudson	2,669	2,780	111
Marlborough	4,617	4,435	(182)
Northborough	2,716	2,742	26
Westborough	3,468	3,493	25
Total	13,470	13,450	(20)

GREATER MARLBOROUGH REGION – K-12 PUBLIC SCHOOL ENROLLMENT

The 2012 K-12 public school enrollment for the four Greater Marlborough communities was 14,003 including the 553 students enrolled in the regional vocational school. The 970 students enrolled in the charter school are not included in the above enrollment. The map depicts the proportion of the community enrolled in public school. Public school enrollment is given as a percentage of 2012 population estimates, the most recent U. S. Census data available. The highest enrollment as a percentage of population occurred in Northborough (19.7%) followed by Westborough (19.3%). With the exception of Marlborough, the region has about 1 in 5 residents are enrolled in a public school. Marlborough has the largest population and public school enrollment but the smallest proportion of its population in public school at 12.3%.

GMR 2012 PUBLIC SCHOOL ENROLLMENT As a Percentage of July 2012 Population



Source: U.S. Census and MERC

GREATER MARLBOROUGH REGION APPENDIX

FOUR OPTIONS TO SHIFT THE TAX BURDEN WITHIN AND AMONG PROPERTY CLASSES

The property tax levy is the levy a city or town raises through real and personal property taxes. In 1981 Massachusetts voters approved Proposition 2½ which caps a community's annual tax levy. This cap is referred to as the levy limit which increases annually by 2½ percent of the full and fair value of tangible property in the community. A municipality can also permanently increase its levy limit through a successful override referendum. Municipalities can choose to temporarily levy above their levy limit through a successful debt or capital outlay expenditure exclusion referendum.

Communities may elect to shift the tax levy burden both within and among the major property classes in accordance with four state legislated, limited local options. The split tax rate, the open space discount, the residential exemption and the small commercial exemption are the four options. For the most part, the split tax rate results in a shift of the tax burden from residential to the other classes of property while the open space discount shifts the related open space tax burden to residential property. More than 100 of the 351 Massachusetts communities have adopted split rates. The open space discount reduces the tax burden of open space and natural land contributing to the public benefit and enjoyment. It does not cover property held for income production, property with a permanent conservation restriction or chapter land such as farms and forestry (M.G.L. CH. 61, 61A, 61B) that receives reductions via another avenue. The tax burden is shifted to the residential class and results in a slightly higher overall residential tax rate. The discount may be up to 25% of this residential rate. In the last few years only one community, the town of Bedford, chose this option which was approved at 25%.

The residential exemption excludes part of the value of an eligible taxpayer's principal residence. This discount may be up to 20% of the average assessed value in the total residential class. It is this fixed amount that is deducted from each eligible parcel. Since it is still necessary to raise the same pre-determined dollar amount from the residential class, the result is a higher residential tax rate. By special legislation the cities of Boston, Cambridge and Somerville are permitted to increase the residential exemption to not more than 30%. The following 13 communities presently have residential exemptions: Barnstable (20%); Boston (30%); Brookline (20%); Cambridge (30%); Chelsea (20%); Everett (20%); Malden (20%); Nantucket (20%); Somerset (10%); Somerville (30%); Tisbury (20%); Waltham (20%); Watertown (20%) and West Barnstable (20%). Eleven communities have many apartment buildings and two (Tisbury, Nantucket) have a large number of seasonal homes.

The small commercial exemption is a similar shift within the class in that it excludes a percentage of the assessed value of each eligible parcel. It covers commercial real property valued at less than \$1 million that is occupied by certified small business (10 or fewer employees). It results in a slightly higher C&I tax rate although the personal property tax rate is not affected. At the present time ten communities have adopted this exemption at 10%. The communities are: Auburn, Avon, Bellingham, Braintree, Dartmouth, New Ashford, Seekonk, Somerset, Westford and Wrentham. A brief discussion of the rules relating to a split tax rate follows.

Split tax rates - The classification Act of 1979 established two limits on the ability of municipalities to shift the property tax burden. The first is that the commercial, industrial and personal property (CIP) tax rate may only be 50% higher than what it would otherwise be with a single rate. The second limitation requires that the residential rate be at least 65% of what a single tax rate would be. This is referred to as the Minimum Residential Factor (MRF). Modifications to the first limitation were enacted in 1988. Under these later provisions, if a community's maximum shift results in a residential share larger than the prior year's, the CIP share may increase by as much as 75%. However, the residential tax levy share cannot be reduced below 50% of its single tax rate share nor can it be less than the levy share in any year since the community was first certified.

Current law allows increasing the commercial, industrial, and personal property burden by 50% as long as the residential and open space classes contribute at least 65% of the burden. The rate of this maximum shift is known as the Minimum Residential Factor.

SOURCES

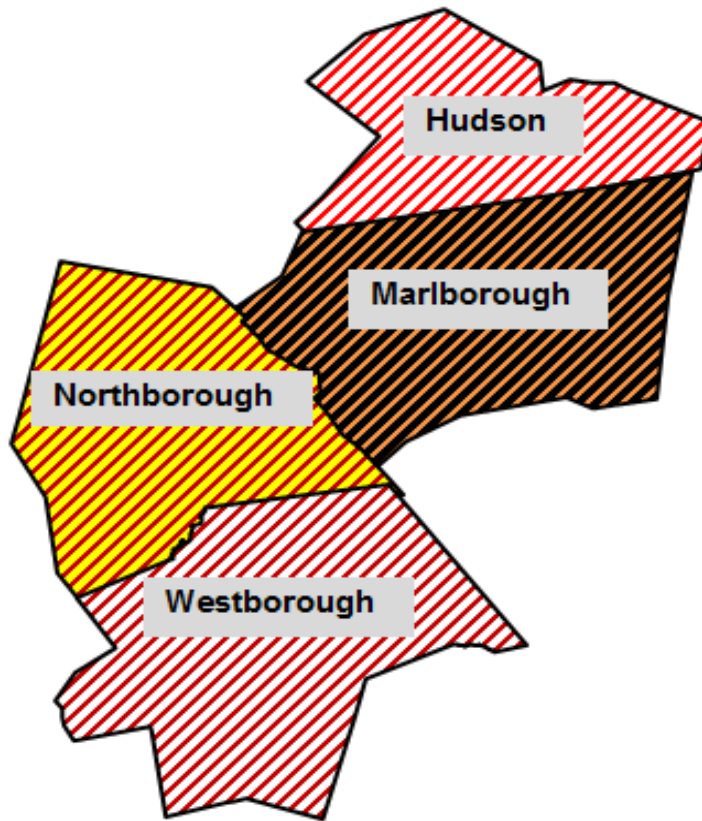
- Massachusetts Department of Education (MA DOE)
- Massachusetts Department of Revenue (MA DOR), Division of Local Services (DLS)
- MetroWest Economic Research Center (MERC)
- United States Census Bureau, U. S. Department of Commerce (US CENSUS)

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- Framingham State University

For additional copies or further information, please contact the
MetroWest Economic Research Center
Framingham State University
Framingham, MA 01701-9101
508-626-4033
merc@framingham.edu



METROWEST ECONOMIC RESEARCH CENTER
At Framingham State University
100 State Street, Framingham, MA 01701-9101
508-626-4033 – fax 508-626-4018
www.merc-online.org